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DALLAS, TEXAS
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Amarillo Businessman Pleads Guilty to Federal Tax Evasion

Richard B. Roper, United States Attorney for the Northern District of Texas, announced that, in federal court late Friday in Amarillo, Texas, Stephen W. Blake, of Amarillo waived indictment and entered a plea of guilty to a one-count information charging him with income tax evasion. Blake agreed to pay restitution in this case for all relevant conduct, including the tax years of 1999, 2000 and 2001. He faces a maximum statutory sentence of five years imprisonment, a \$250,000 fine and restitution. He is scheduled to be sentenced on June 10, 2005 by the Honorable Mary Lou Robinson, United States District Judge.

Stephen W. Blake was the president and sole shareholder of Blake Brothers Construction Company, Inc. He admitted in court documents that he failed to report a total of \$255,432 of individual income resulting in a total tax loss due and owing of \$92,522.

In March 2002, Blake filed a false and fraudulent Income Tax Return in which he stated his taxable income for the calendar year 2001 was \$132,544 and that the amount of tax due was \$31,193. Blake admitted however, that we well knew that his taxable income for 2001 was \$244,747 and that \$69,632 in income tax was owed.

Blake also admitted, according to court documents, that during the tax years 1999 through 2001, that he diverted corporate funds to his personal use by writing corporate checks for personal expenditures, causing corporate employees to write corporate checks for his personal expenditures, using the corporate credit card for personal expenditures, causing automatic withdrawals from the corporate bank account to pay his personal obligations and by diverting corporate receipts into his personal bank accounts.

The case was investigated by Internal Revenue Service - Criminal Investigation and prosecuted by Assistant United States Attorney Christy L. Drake.

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